



NEI Global Relocation

# 2024 RELOCATION TRENDS

## MANUFACTURING

### Featuring

- Manufacturing Gap Solutions
- Talent Retention Tactics
- Advanced Relocation Benefit Insights & Trends

*Discover how leading Manufacturing companies are leveraging innovative relocation benefits as strategic tools to overcome talent shortages.*

# The Talent Shortage is Not Temporary

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“Manufacturers are expected to face economic uncertainty, the ongoing shortage of skilled labor, lingering and targeted supply chain disruptions, and new challenges spurred by the need for product innovation to meet company-set net-zero emissions goals.”

— **Deloitte**

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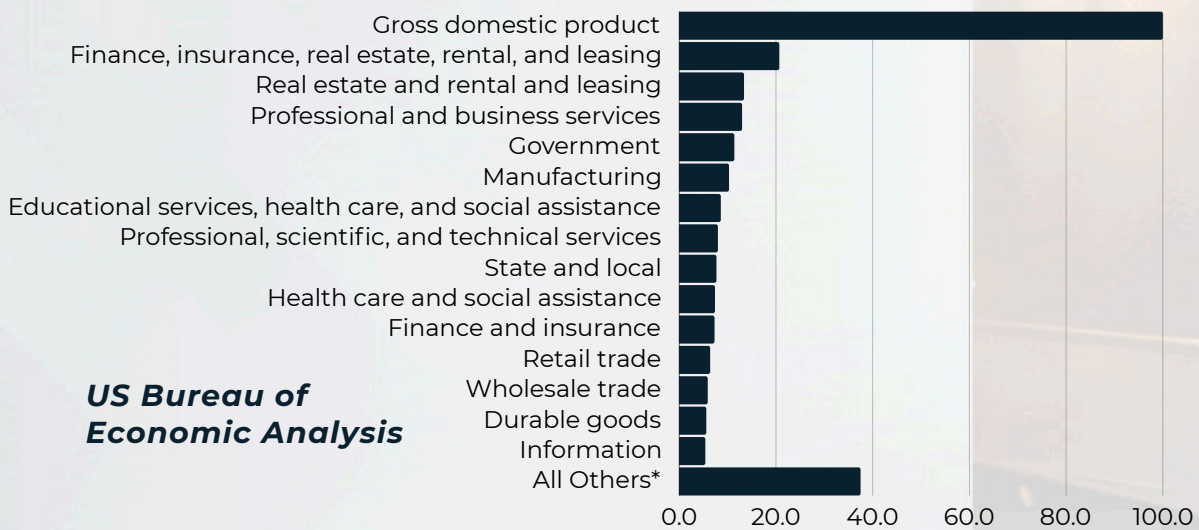




# Manufacturing's Economic & Employment Impact

Though U.S. manufacturing jobs have declined from 19.6 million in 1979 to nearly 13 million by November 2022, a 56 percent decrease when adjusted for population growth, the **Manufacturing sector still accounts for roughly 11 percent of U.S. GDP and employs approximately 8 percent of the U.S. workforce.**

## United States GDP by Industry



## Per Betterworks Engage, the talent shortage can be attributed to:

- Outdated perceptions that manufacturing jobs aren't safe, clean, or progressive
- Misconceptions by younger generations that manufacturing lacks competitive wages
- Perceived lack of investment in employee growth and development
- Not enough STEM graduates with specific skill sets and abilities to meet demand
- A quarter of the industry's skilled worker base retiring, with more to come in the next decade

# Challenges in Acquisition & Retention

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“As of August 2023, **616,000** U.S. manufacturing job openings are still needing to be filled.”

— **US Chamber of Commerce**

Roughly **77 percent of manufacturers say this shortage is not temporary** and there will be ongoing difficulties attracting and retaining workers in the industry.

The manufacturing skills gap in the U.S. could result in 2.1 million unfilled jobs by 2030, according to a study by Deloitte and The Manufacturing Institute. The cost of those missing jobs could potentially total \$1 trillion in 2030 alone. This is true for both talent skilled in the design and operation of old and new machinery, as well as the usual positions that are always needed across manufacturing companies to conduct business.

To attract new talent from various sectors, manufacturers must bridge the gap between the expectations of job seekers and the reality of manufacturing jobs, as highlighted by a **Deloitte Global Human Capital Trends study**.

*It's crucial for these companies to focus on widening their talent pool, fostering inclusive work environments, and committing to ongoing skill development to ensure future success.*

A Study by Deloitte predicts that **by 2030**

**2.1 Million**  
Unfilled Jobs

**\$1 Trillion**  
Loss in 2030 alone



# Key Findings from NEI's 2023 All Benefits Survey

## Manufacturing | Relocation Trends

To address these shortages, manufacturing industry Talent Management and HR teams will have to evolve and maximize relocation efficiency and effectiveness to secure talent and retain employees. This starts with examining the benefits used today and ensuring they are ready for tomorrow.

Notable findings from Manufacturing companies participating in NEI Global Relocation's 2023 U.S. Domestic All Benefits Survey include the following:

### Partial Lump Sum

- Manufacturing companies tend to favor a Partial Lump Sum program to cover certain benefits such as temporary living, home finding, return trips, final move and miscellaneous expense allowance.
- A partial lump sum was offered by 31 – 67% of Manufacturing companies (depending on employee level) as compared to 30 – 51% of participants in all industries combined.

Partial  
Lump  
Sums

Manufacturing Cos.

**31-67%**

All Industries Combined

**30-51%**

### Economic Impact on Policy

- Unlike other industries, Manufacturing has not increased COLA, MIDA or Lease Cancellation due to economic changes, choosing instead to stay the course.
- Many companies in NEI's U.S. Domestic All Benefits Survey (all industries combined) have reviewed and revised policy components to adjust to the changing market.



# Key Findings Continued

## Home Sale Trends and Responses

A strong sellers' market over the past few years has caused many companies in multiple sectors to tighten up their home sale programs, scaling down benefits to save money without significantly impacting employees. As the market pendulum starts to swing back to the buyers' favor, companies are beginning to consider ways to enrich their home sale programs again

### Manufacturing

**BVO 7-47%**

**GBO 0-35%**

### All Companies

**BVO 5-33%**

**GBO 1-43%**

- BVO is preferred over GBO by Manufacturing participants. **BVO is offered by 7 – 47% of Manufacturing participants** compared to 5 – 33% of participants in all combined industries.
- **GBO is offered by 0 – 35% of Manufacturing participants** compared to 1 – 43% of participants in all combined industries.
- **Loss on Sale is offered by 0 – 20% of Manufacturing participants** compared to 1 – 34% of participants in all combined industries.

## Tax Treatment

- Manufacturing participants were less likely to gross-up origination services (e.g. partial lump sum, home sale reimbursements, miscellaneous expense allowance), and yet more likely to gross-up destination services (e.g. temp living, rental finding assistance, home finding trip).
- **Of Manufacturing participants, 45% complete year-end tax true up calculations** compared to 34% of participants in all combined industries.

## In Summary

In summary, manufacturing companies lean towards more conservative relocation policies, such as favoring Partial Lump Sum programs and maintaining a steady course on COLA, MIDA, or Lease Cancellation policies; a distinct approach when compared with broader industry trends, where companies are revising policies to adapt to market changes.

**As the landscape evolves, those willing to enhance their benefits in thoughtful ways could obtain a sizable competitive advantage in securing top industry talent.**







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### **AMERICAS**

2707 North 118th Street  
Omaha, NE 68164, US

### **EMEA**

Av Eugène Lance 38 bis. 1212  
Grand-Lancy 1, Geneva, Switzerland

### **APAC**

1 Raffles Place, #1947-1948 Laur  
One Raffles Place Tower 2, Singapore 048616

*Connect*

